

The Monthly Magazine for Food and Agricultural Exporters

# AgExporter

United States Department of Agriculture **November 2001**  
Foreign Agricultural Service

## Caribbean Markets Add Up to Opportunity In U.S. Back Yard

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What's at Stake  
In a New WTO Round

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Thanksgiving Foods Symbolize  
U.S. Export Growth

# AgExporter

United States Department of Agriculture  
Foreign Agricultural Service

November 2001

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# Location, Location, Location: The Caribbean Presents an Opportunity Close at Hand

By Eric Martinez

Spanning 28 countries and supporting a diverse population of over 21 million, the Caribbean is the world region most dependent on agricultural imports, especially consumer-oriented products. With a moderate-to-high standard of living, yet lacking competitive economies of scale for agricultural production and food processing, the Caribbean has consistently proved a profitable destination for U.S. exports.

The United States already commands a 56-percent share of this \$2.3-billion-a-year market. And U.S. exporters are poised to benefit further from developments in the Caribbean tourism industry and the world economy that will increase demand for consumer-oriented agricultural products.

## Tourism: The Key Factor

The importance of tourism to the Caribbean's economy in general and to its market for consumer-oriented agricultural products in particular cannot be overemphasized. The health of the tourism industry is a primary indicator of the demand for food products.

On average, revenues from tourism ac-

count for over 70 percent of gross domestic product (GDP) per island. Nearly 55 percent of the Caribbean's labor force works in the service sector.

As a result of the proximity of the United States to the Caribbean and the permeation of cultural influences that makes U.S. goods so popular, a period of prosperity for Caribbean tourism often translates into a period of growth in demand for U.S. exports.

And the Caribbean has been experiencing just that kind of growth. Since 1992, growth in the region's tourist arrivals from around the world and in per-capita tourist expenditures have increased by more than 4 percent annually.



## THE UNITED STATES IS ESSENTIALLY TRADING IN ITS OWN BACKYARD HERE.



These trends have helped to fuel an annual growth rate of nearly 5 percent in U.S. consumer agricultural exports. In 1992, for example, 15 million tourists visited the Caribbean, spending an average \$2,690 per capita. By 1999, 20 million tourists came to the region, spending an average \$3,550.

With more tourists spending more money, consumption of consumer-oriented products has climbed.

### Slowdown? Just the Opposite!

A first glance would suggest that the Caribbean is exceptionally vulnerable to any slowdown in the U.S. economy. Summed up by the phrase, "When the United States sneezes, the Caribbean gets a cold," this line of reasoning assumes that fewer people would be going on vacation, and would therefore bring less revenue to the tourism-dependent islands. With fewer tourists spending less money, thereby re-

ducing local income, demand for U.S. consumer-based exports would fall.

This first glance, however, is belied by the actual results. In fact, the Caribbean appears to be one of the few regions in the world that benefits from a slowdown in the U.S. economy. It is precisely during periods of sluggish growth that the largest numbers of Americans visit the Caribbean—because it is closer and cheaper than other destinations.

The numbers indicate that Americans will always go on vacation. Economic conditions determine where—and how—they will spend their money.

During 1981-89, the United States experienced high levels of unemployment and inflation, a stock market crash, considerable economic uncertainty and slow growth. Yet over these years, U.S. tourist arrivals to the Caribbean grew at an average annual rate of nearly 5 percent.



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In contrast, from 1991 to 2000, the U.S. economy was barreling ahead, with its longest expansion in history; a stock market routinely setting new record highs; unemployment and inflation very low; spending on goods and services skyrocketing; and U.S. international air travel jumping 23 percent.

Yet during this period of unprecedented prosperity, the annual growth rate in U.S. arrivals to the Caribbean fell by 40 percent: from 4.8 to 2.7 percent. During those years, Americans flush with cash traveled to more distant, exotic and pricey locations, such as China and the South Pacific.

Now, with the pace of the U.S. economy once again moderating, the Caribbean will likely receive another wave of American tourists with American tastes. In addition to the preferences for American goods they will bring, the revenue they provide will also likely generate an increase in local consumption, and consequently an increase in demand for U.S. consumer-oriented agricultural goods.

### Where Will the Growth Be?

Because tourism is the main industry in the Caribbean, competition among the islands can be fierce—although ultimately counterproductive. To avoid a price war that

would do more harm than good, each island markets to its own niche clientele, and then seeks to monopolize it.

While every island has cultural and geographical differences to recommend it, each island tends to target a specific market through price differences. And it is the key element of price that will determine where trade growth will occur in the Caribbean during the U.S. economic slowdown.

The traditionally more expensive islands are vulnerable to substitution by tourists who will go to cheaper Caribbean destinations. The islands that experience the greatest growth in tourism will have the largest increase in demand for U.S. imports.

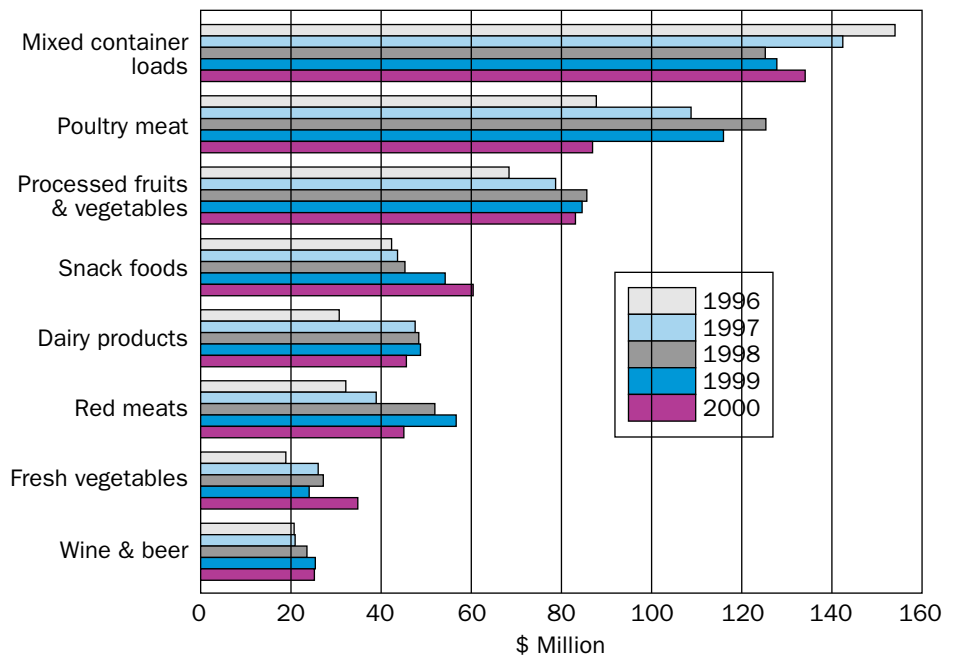
A decrease in demand for imports can be anticipated in the highest priced islands—such as Bermuda, Turks and Caicos, and the Caymans—as tourists go to more affordable destinations. Conversely, growth in demand for U.S. exports will occur in the mid-level and less expensive islands that are benefitting from this substitution, such as Jamaica, the Bahamas and the Dominican Republic.

### Other Factors Fueling Growth and Assuring Stability

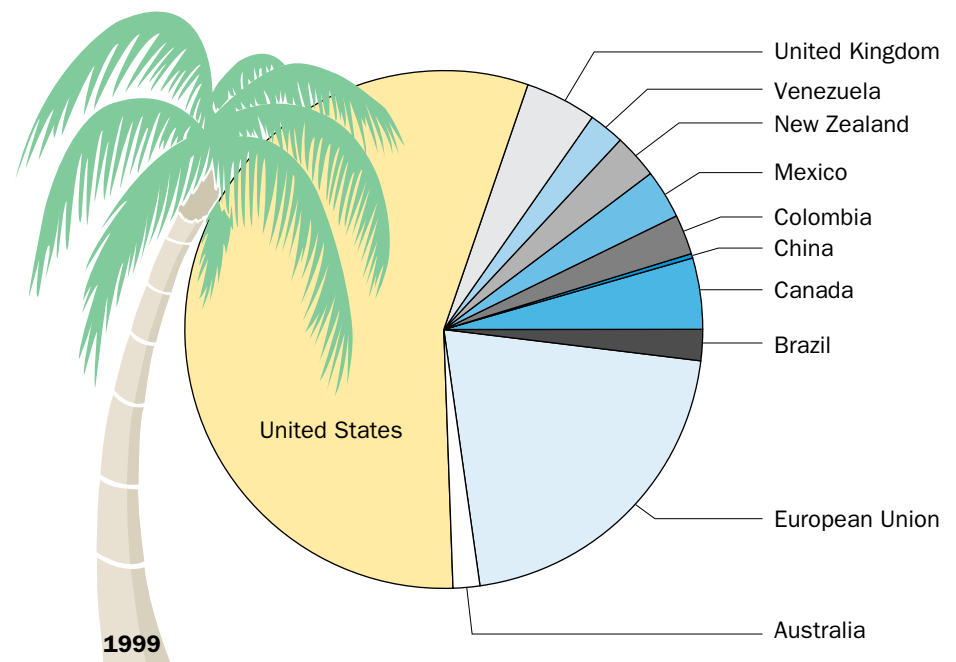
As noted above, the United States exerts a powerful commercial influence on the Caribbean. The region receives most U.S. television networks, and U.S. goods and preferences have a substantial impact on product demand. As a result, current U.S. consumer trends often indicate future market opportunities in the Caribbean.

Moreover, the Caribbean is heavily dependent on food imports. With an average 12.6 percent of arable land per island, it is more profitable for these nations to invest their labor and capital in tourism. The average trade deficit per island stands at \$731 million.

### U.S. Best Sellers in the Caribbean Consumer Food Market



### How the United States Stacks Up Against the Competition for the Caribbean Food Market





The composition of tourists visiting the Caribbean has become increasingly American. While Europe is still a big market, the weakening euro has made it very expensive for Europeans to visit a region where most currencies are pegged to the dollar. With an increasingly large majority of tourists coming from the United States, demand for U.S. food products will likely show a corresponding surge.

Meanwhile, the Caribbean's domestic market also provides a steady outlet for U.S. consumer-oriented products. The region has established a relatively high standard of living; and with an average per capita GDP

of \$11,600, it constitutes a stable market for U.S. products.

### Sizing Up the Competition

The United States holds a dominating trade position in the Caribbean. With the cheapest transportation costs, the greatest array of products and a high level of quality, the United States is essentially trading in its own backyard.

The U.S. position in each island market varies; generally it is strongest in the current and former British colonies, and weakest in the French overseas departments of Guadeloupe and Martinique.

The primary competition for U.S. exporters comes from Europe, which has steadily held a 25-percent share of the Caribbean's consumer-oriented import market. The next biggest player is Canada, with 4 percent of consumer imports, followed by New Zealand and Mexico, each with 3 percent.

In identifying potential export markets, it's vital to understand that market shares do not fluctuate very much; the foregoing shares have remained consistent for the past 10 years. Rather, it is the market's absolute size that contracts and expands in concert with the cycle of the tourism industry.





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### Trade Practices

Caribbean import procedures are usually clear and well established. Because it must rely so heavily on imports, the region has developed smooth and efficient trade practices. In the majority of islands, products typically go through Customs in less than three days.

Regulations regarding food imports vary widely depending on the country. A general rule of thumb is that the richer the country, and the smaller the proportion of the population involved in agriculture, the less complicated the importation process.

Exporting to islands such as the Bahamas or the Caymans tends to be straightforward, provided the products are in good condition and have been packaged and stored properly. Exporting to the Dominican Republic or Jamaica, on the other hand, can require numerous permits and licenses. Importation of certain products may be strictly regulated or banned outright to protect local producers.

Most Caribbean governments rely

heavily on Customs duties to finance their operations, so tariffs on imported goods tend to be rather high. Many of the countries in the Caribbean are members of the Caribbean Community (CARICOM), and impose a Common External Tariff of 25-40 percent on all agricultural imports.

### Some Final Caveats

Political stability, economic prosperity and immediate growth resulting from increased tourism make the Caribbean an excellent destination for U.S. exports. For successful market entry, the key is preliminary research. Every island has cultural and economic differences that affect demand, and these concepts must be incorporated into an exporter's marketing strategy.

In addition, an exporter must follow trends in America's domestic market, while always considering potential changes in tourists' tastes and demands. Finally, a visit to the region can provide an invaluable understanding of the subtle differences in each island that make its market unique. ■

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Retail sector, food service sector and foreign agricultural import requirement reports on individual Caribbean countries are available on the web; go to **[www.fas.usda.gov](http://www.fas.usda.gov)**, select **Attaché Reports**, and choose one of the three categories and the individual country name, or the Caribbean Basin region.





# London Conference Discusses the Future Of Biotechnology in Agriculture

By Michael Conlon

Since biotechnology could potentially enhance virtually every agricultural product, public concern about the technology in Europe and other parts of the world may have serious long-term implications for U.S. agricultural exports. The United Kingdom (U.K.), which has been at the forefront of such concerns, is a bellwether for European and global attitudes on agricultural biotechnology.

In the U.K., consumer apprehension over biotechnology has been fueled by a variety of causes, such as past food safety scares and the lack of reliable information about the technology. To address these concerns, the Foreign Agricultural Service in London (FAS/London), in coordination with three U.K. universities, sponsored an international conference on agricultural biotechnology called "Seeds of Opportunity: The Future of Biotechnology in Agriculture." The goal of the conference was to discuss the potential of biotechnology as it relates to health, the environment and the consumer.

More than 185 people from around the world attended, including distinguished scientists and policy makers from Europe, the United States and the developing world.

Overall, the meetings produced a lively dialogue and debate. Presenters recognized the potential of biotechnology to increase agricultural production by controlling devastating crop viruses and pests and improving the use of marginal land. Yet there was also a clear understanding that before biotechnology will be more widely accepted

in Europe and developing countries, it is essential to address public concerns and fears.

Obviously the public dialogue on agricultural biotechnology is only just beginning. However, this conference highlighted some important common themes:

- The current public debate on agricultural biotechnology will be one of the key factors shaping the future direction of world agriculture.
- Given past food scares, consumers in Europe will not accept new food technologies without question.
- Biotechnology can play a critical role in expanding food production to feed the world's growing population.
- Biotechnology is just a tool, albeit a significant tool, to enhance crop productivity.
- Concerns over agricultural biotechnology in developed countries are hindering agricultural research in the developing world.
- Private companies must work more closely with public institutions on biotechnology research.
- If biotechnology test results are publicly released, these products will be more widely accepted.
- For many years, agricultural biotechnology has provided farmers with a vast number of agronomic advantages, such as improved resistance to disease and accelerated growth. However, future applications will depend on the development of crops that provide direct consumer benefits.

A Web cast of selected video highlights of the conference and transcripts of the speeches are available through the conference Web site at:

**[www.seedsofopportunity.com](http://www.seedsofopportunity.com)** ■



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# A Bounty of Exports: Thanksgiving Foods Make Sales Overseas

**A**s you sit down for your Thanksgiving feast, here's one more thing to be grateful for—many of the holiday foods you will enjoy are also growing in significance as U.S. exports.

Here are a few examples:

## Sweet Corn

Many people know that feed corn is the strongest U.S. export, valued on average at \$2 billion annually. But the United States leads the world in sweet corn exports and is a net exporter of fresh sweet corn, shipping twice the volume imported. During 1998-2000, the United States exported 4 percent of production, while importing just 2 percent of the sweet corn consumed domestically.

In the first five months of calendar year 2000, about 22,000 metric tons of fresh sweet corn were exported, valued at almost \$9.5 million. For the first five months of 2001, the total volume was 23,000 tons, valued at \$12 million.



## Vegetables

On Thanksgiving, U.S. tables bear fall favorites such as green bean casserole, Brussels sprouts and squash with nutmeg. The good news for U.S. exports is that vegetables of all kinds are selling overseas. In the first five months of 2000, the United States sold \$482 million in fresh vegetables (excluding corn and potatoes) abroad. In the first five months of 2001, exports were valued at \$503 million, an increase of 4.3 percent.

## Turkey

Calling all leftovers. Other nations prefer to buy U.S. turkey in pieces—normally they choose mechanically deboned drumsticks and thighs. The meat is then processed into sausages and cold-cuts.

For the first six months of 2001, over 109,000 metric tons of turkey meat was exported—a 14-percent increase over the 96,000 metric tons sold in 2000.

Total sales for the first six months of 2000 were \$99.8 million; for the first six months of 2001, total sales were \$119.2 million, an increase of about 19 percent.

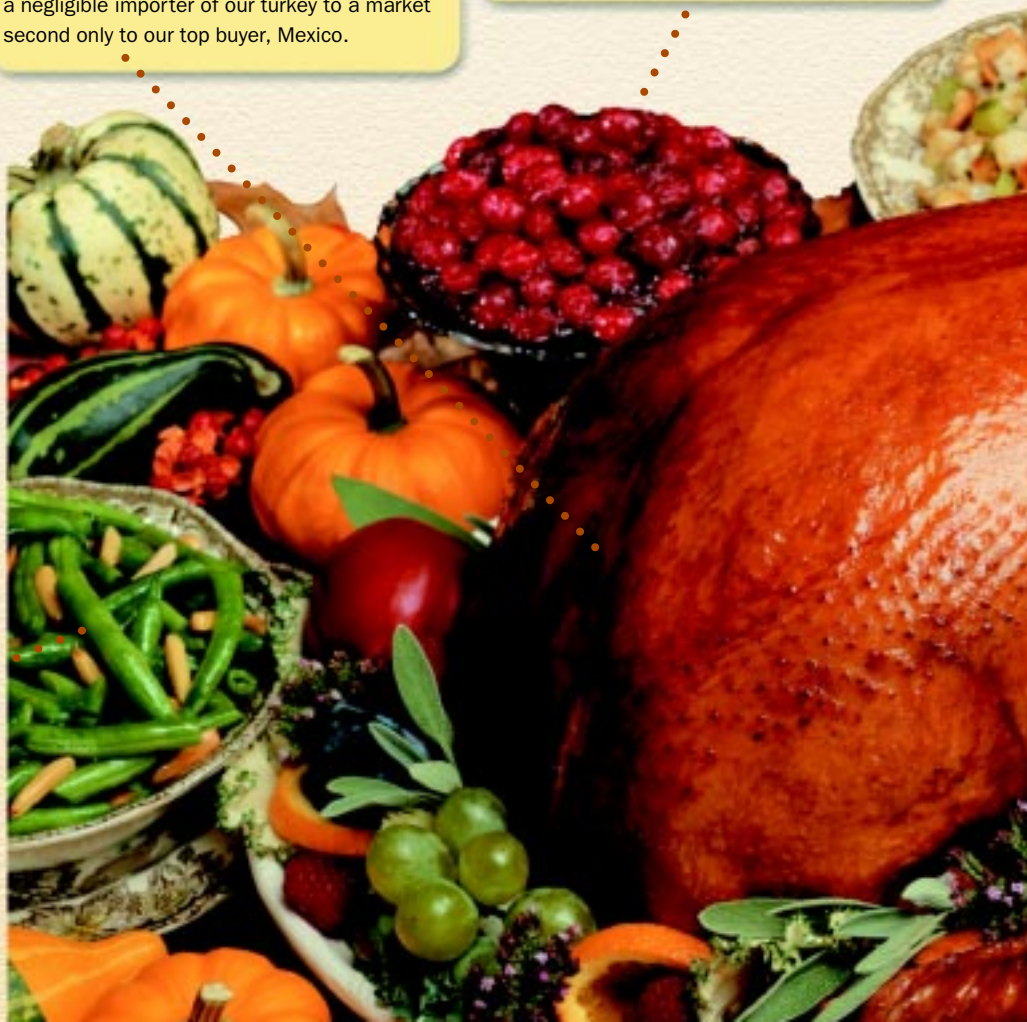
The USA Poultry and Egg Export Council contributed to that growth in exports for 2001. It held a training workshop to show Russian meat processors how to make the most of U.S. birds. The result: Russia went from being a negligible importer of our turkey to a market second only to our top buyer, Mexico.

## Cranberries

The Cranberry Marketing Committee's 2000-01 promotional campaigns in Japan and Germany generated over \$0.9 million worth of print and television publicity.

The campaigns focused on a public relations effort to educate consumers about the health benefits of U.S. cranberries, the versatility of the fruit and its unique flavor attributes. This marketing effort has contributed directly to sales.

In fact, by the end of the 1999-2000 marketing year, sales had risen from 90 metric tons to both Japan and Germany to more than 4,000 tons. Given the success of its publicity campaign, the committee expects to see additional increases by the end of marketing year 2001.





## AS YOU ENJOY THE HOLIDAY, BE THANKFUL. THE BOUNTY OF U.S. AGRICULTURE ON YOUR TABLE IS ALSO PRESENT IN WORLD MARKETS.

### Sweet Potatoes

The news for this commodity is sweet success.

For the first six months of fiscal year 2000, U.S. exporters of sweet potatoes earned \$10 million. For the same period in 2001, the amount earned was \$11 million, an increase of 6 percent.



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### White Potatoes

Americans may prefer their potatoes mashed on Thanksgiving Day, but the world buys our potatoes fried. In the first five months of 2000, the United States sold \$142 million worth of frozen fries. In the first five months of 2001, that figure rose to \$149 million—an increase of 4.5 percent.

The U.S. potato industry employs 15,000 people—and there are more than 6,000 potato farms in the United States.

### Almonds and Walnuts

On Thanksgiving Day, almonds may be only a snack or side dish—but in the world of U.S. exports, they play a starring role. Since 1997, exports of almonds have been steadily increasing. In the first five months of calendar year 2000, a total of 69,310 metric tons of U.S. almonds were exported. In the first five months of 2001, a whopping 73,417 tons were sold. That's a 5-percent increase.

Comparing the value for the first five months of 2000 and 2001, almonds racked up \$182 million in 2000 and \$198 million in 2001—an 8-percent increase.

When it comes to walnuts, while the volume of exports went down, the total value rose.

Comparing the first five months of 2000 and 2001, total tonnage of walnuts exported went from 14,301 to 13,616, a decrease of about 5 percent. But value climbed from \$37.8 million to \$42.5 million—an increase of 12 percent.



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For more information, contact FAS' Commodity and Marketing Programs area.  
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# WTO Negotiations Offer the Best Chance For Agricultural Trade Reform

by Debra Henke

A potential new trade negotiating round approaches, and with it a critical opportunity for the 142 member countries of the World Trade Organization (WTO) to work for freer, fairer trade. All nations, including the United States, will benefit economically from a new round that moves the world toward a more open, transparent and rules-based trading system.

While negotiations on further reform in agriculture and services were initiated in March 2001 as part of the built-in agenda mandated under the 1994 Uruguay Round Agreement on Agriculture (URAA), agriculture will be an integral part of a broad, global trade round. The URAA was a good start to agricultural trade reform. However, we still have a long way to go and much unfinished business to complete.

A successful conclusion to a new trade round is important for U.S. agriculture. Our country's agricultural sector is more than twice as dependent on exports as the U.S. general economy. About 25 percent of gross cash receipts from agricultural sales are for export, compared with 10 percent on average for manufactured goods. One out of every four dollars of U.S. agricultural production goes to the export market.

Without a growing export market for agricultural products, the United States would lose one of its greatest economic engines. The business of agriculture—from producer to processor to retailer—generates about 16 percent of U.S. gross national product, and provides or supports roughly 17 percent of all American jobs.



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Last June, the United States laid out its WTO negotiating proposal for agriculture. This proposal builds on the accomplishments of the Uruguay Round and identifies a framework for further reform in the areas of market access, export competition and domestic support.

## The World Has Changed

The U.S. proposal recognizes the dynamics of a world economy characterized by instant flows of capital, communication and information. American farmers are on the front lines of this evolving knowledge-based economy.

They operate in a global, high-tech, consumer-driven environment. Many rely on computers, satellites and infrared photographs to provide row-by-row detail of their crops' growth. They rely on improved transportation, storage and food technology systems to move more fresh food farther and faster at lower cost. They rely on information technology to generate new efficiencies throughout the food chain. They rely on agricultural research for tech-

nical innovation and productivity growth.

The various links in the food chain—from farm to table—are more intertwined than they have ever been, and they grow more connected every day. A global food system has emerged that encompasses everything from production to processing to consumption. Companies are increasingly finding that the best way to plug into the global food system is to form strategic partnerships that increase the ability to source, distribute and transport agricultural products.

The globalization of eating habits also continues apace. The ever-demanding consumer drives today's market, seeking simplified, tailored solutions that bring convenience and variety to people's lives. Companies and retailers require specific and consistent product characteristics, assured supplies and timely delivery.

## Demand Grows for Consumer-Oriented Products

The composition of U.S. agricultural exports has changed dramatically since

## U.S. AGRICULTURE'S GROWTH AND PROSPERITY DEPEND ON THE LAUNCH OF A BROAD, GLOBAL TRADE ROUND.

1986, when General Agreement on Tariffs and Trade member countries began writing new rules for international agricultural trade in the Uruguay Round negotiations. At that time, U.S. agricultural exports were mostly bulk commodities, such as wheat, corn and cotton. Over the past 15 years, however, consumer-oriented, high-value products have become the fastest growing sector in global agricultural trade.

This category includes meats, fruits, vegetables, processed foods and beverages. Since 1999, these products have overtaken bulk commodities to become the largest sector of U.S. agricultural exports. They account for 42 percent of total exports and continue to reach new record highs each year.

U.S. Department of Agriculture (USDA) research shows that the growth in high-value product sales is due in part to diet diversification and increasing demand for better quality, time-saving foods by consumers in developed countries. In developing countries, higher income results in

increased demand for meat products, often leading to expanded local livestock production. This, in turn, may result in increased imports of intermediate products such as animal feed.

Another factor that explains this shift in international trade from bulk commodities to high-value goods is the advances made in transportation technology, particularly in the trade of perishable products. These products now account for 20 percent of total U.S. food and agricultural exports.

The United States is the world's largest agricultural exporter and a leading importer of agricultural products, second only to the European Union (EU). In 2000, the United States exported \$51.5 billion in food and fiber products and imported nearly \$39 billion from the rest of the world.

By 2010, USDA projections show that U.S. agricultural exports could rise to \$76 billion, up a substantial 42 percent from the expected 2001 level of \$53.5 billion. Both

bulk and consumer-oriented product sales are expected to rise. Much of this gain will be due to improving food demand over the next 10 years as 600 million new middle-class consumers emerge in key developing countries, particularly in Asia.

### Trade Barriers Hurt Consumers, Producers and Exporters

To achieve this projected growth, however, agricultural trade barriers and production-distorting subsidies must come down. These policies inflict heavy costs on consumers, producers and exporters around the world. Consumers worldwide pay higher taxes to help finance farm subsidies, pay tariffs on imported products and pay higher prices for domestic products that are protected by their respective governments and also compete with imports.

These distorting agricultural policies misallocate resources and create inefficiencies in domestic production, lowering national income. Over the long term (about 15 years), the cost to world consumers of global agricultural tariffs, domestic subsidies and export subsidies will be \$56 billion annually. The WTO provides the best forum for reducing the high costs of global protectionism.

Barriers to trade in agricultural products and producer subsidies inflict real costs, both on the countries that use them and on their trade partners. Tariffs are the most distorting, compared to domestic support and export subsidies, accounting for more than half of the current distortions in world agricultural prices. The tariff policies of the EU, Japan and Korea account for about half of all tariff distortions. U.S. tariffs make up only 12 percent with developing countries making up the rest (38 percent).

If all WTO members reduced tariffs and reformed trade-distorting domestic sup-



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ports and export subsidies by cutting and eliminating them, world prices and the welfare of the world's farmers would improve substantially.

Policy reform in developing countries would also lead to increased agricultural exports and imports and improved citizens' welfare. Global policy reform should result in a 20-percent increase in the value of agricultural imports by developing countries and a 27-percent increase in agricultural exports, including some export growth in value-added products.

### Developing Countries Need Assistance

Industrial trading nations recognized many years ago that a coordinated effort was needed to bring developing countries more fully into the international trading system. That is why they implemented the Generalized System of Preferences (GSP).

The GSP permits tariff reductions or possibly duty-free entry of certain imports

## U.S. WTO Negotiating Proposal

Last year, the United States presented its negotiating proposal for agriculture at a special session of the World Trade Organization's (WTO) Committee on Agriculture in Geneva, Switzerland. The proposal provides the framework for reform in the key areas of market access, export competition and domestic support. Each of these areas is integral to effective and meaningful trade reform. U.S. objectives include:

- reducing tariffs and increasing tariff-rate quota quantities;

- eliminating export subsidies;
- capping and simplifying trade-distorting domestic support;
- ending the monopoly privileges of import and export state trading enterprises;
- increasing the reliability of the global food supply;
- providing special and differential treatment to developing countries; and
- allowing WTO members to engage in specific sectoral negotiations with one another.

from designated developing countries. This can stimulate economic growth in developing countries and strengthen international relations. Since 1976, the United States has provided nonreciprocal tariff preferences for more than 4,650 products from approximately 140 designated beneficiary countries and territories under the GSP.

On a smaller scale, last year the United

States designated 34 sub-Saharan African countries as Africa Growth and Opportunity Act beneficiaries. This designation makes those countries eligible for duty-free access of specific goods into the United States and provides solid, meaningful and significant opportunities for increased trade and economic cooperation between the United States and those nations.

In the short run, these and similar policies by developed countries along with food aid targeted at food-insecure nations and technical assistance will facilitate the development of their agricultural and rural economies. However, developing countries must fully participate in reform to achieve the potential dynamic gains from trade liberalization.

Experience tells us that countries—whether developed or developing, whether in Africa or the Americas—that are open to trade and investment with the world as a whole have generally been able to create growth, competition and prosperity. Open trade in agriculture can relieve farmers in developing countries of the burdens imposed by protectionism and export subsidies, while offering consumers reliable supplies of food at reasonable prices.

Analytical evidence indicates that coun-





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tries that join the WTO and make substantial commitments to reform have more access to markets and modern technologies. They also grow faster. Increased productivity and investment have been shown to be linked with more open trade policies, suggesting that the long-term benefits to developing countries from economic policy reforms can be significant.

### **Food Security Is Imperative to Growth, But Depends on Many Factors**

While open markets will help lift living standards and create opportunities in the developing world, poor countries cannot hope to achieve sustainable development and economic and social stability without food security.

Food security is more than food production, nutrition or food aid. It simply means that all people have access at all times to sufficient food to meet the dietary needs for a healthy and productive life. Food security depends on availability and access to food, and proper food use. It also depends on a serious commitment to a productive, sustainable agricultural sector that will fuel broad-based economic growth and income generation.

Responsible conservation and sustainable agricultural practices are two of the many keys to creating food security. In the United States, environmental concerns have

driven and continue to drive historic reforms in U.S. conservation policies.

Agricultural research is another key to a more food-secure world. Through research, we can develop and adopt new crop varieties and increase crop and livestock yields so essential to helping reduce malnutrition and hunger. Moreover, dwindling options for land and water resources and increased population and environmental stresses make it imperative that we emphasize biotechnology, one of the very few new tools we have to address these constraints.

Biotechnology has the potential to dramatically increase the quantity, quality and reliability of the food supply, making farmers more productive and consumers healthier. Biotechnology can revolutionize agriculture by using less pesticides and herbicides, less water and less ecologically sensitive lands.

Safe food is yet another aspect of food security. Consumers around the world must feel reasonably assured that their food is safe. With the huge increase in international trade in foodstuffs, foodborne illnesses and pathogens can easily and quickly be carried from country to country by road, rail or air. This makes it imperative that all countries work cooperatively on animal and plant health and food safety.

The United States provides technical assistance to developing countries to help them maintain a safe food supply. In our own efforts to keep food safe, we have learned that controlling food pathogens and managing pests and diseases requires science-based measures and rigorous standards.

That is why we must work through the WTO to ensure that all food safety policies are based on sound scientific principles. Countries must not prohibit imports of new products unless they have legitimate scientific concerns. Too often such restric-

tions are merely a guise to protect domestic agriculture from import competition and fail to adhere to the WTO principle that such measures be grounded in sound science.

We will work through the WTO to give full protection to consumers' health and safety while encouraging the adoption of international standards that facilitate trade. We must take a cooperative approach that integrates research, public health regulation and education to formulate effective policies that meet everyone's needs.

Issues of food security, resource conservation, food safety and animal, plant and human health are inextricably linked to trade issues. The United States is committed to working through the WTO to address these issues in a non-trade-distorting way.

### **Rules for Trade Must Be Updated**

Food production and consumption in the United States and around the world have changed over the past 15 years, since negotiators last sat down to write the rules for international agricultural trade. Now the rules must be updated to accommodate these global changes.

A new round offers WTO member countries the best chance to bring the rules for agricultural trade up to speed with the 21<sup>st</sup> century. Anything less could stunt U.S. agricultural sales and the U.S. economy, hurt developing countries' progress toward trade reform, and ultimately slow the growth and prosperity of the global economy. ■

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# Let a Thousand Web Sites Bloom

By Ralph Bean and Freda Chao

During the past few years, e-commerce and Web-based information resources in China have flourished, providing a broad range of information for potential U.S. agricultural exporters. According to China's Ministry of Agriculture, there are now more than 2,200 Web sites about Chinese agriculture representing agricultural enterprises, government organizations and educational institutions.

The following are a few of the more useful Web sites divided into government, industry association, state trading company and commercial categories. This list represents just a small sampling of what is available, and new sites are always emerging.

Please be advised that the mention of an entity or site does not imply approval or constitute endorsement by USDA or the Foreign Agricultural Service (FAS).

## Government Organizations

Chinese government departments use their home pages to post new laws and regulations, news releases, business opportunities and trade trends. Some of the most significant sites for agriculture are:

- **Ministry of Agriculture**—[www.agri.gov.cn](http://www.agri.gov.cn)—provides information on commodities production, and market forecasts as well as government policies and regulations.
- **Grains and Oils Information Center**—[www.grain.gov.cn](http://www.grain.gov.cn)—contains a wide range of information on grains, oilseeds and vegetable oil. This Web site is a subscribers-only service.

- **Ministry of Foreign Trade and Economic Cooperation**—[www.moftec.com](http://www.moftec.com)—includes both Chinese- and English-language information relating to foreign trade, customs, commodities inspection and environmental protection.
- **State General Administration for Quality, Safety, Inspection and Quarantine**—[www.csbts.cn.net/english/index.htm](http://www.csbts.cn.net/english/index.htm)—has detailed information on the health standards for food commodities marketed in China, as well as quarantine and inspection regulations.
- **China General Customs Administration**—[www.customs.gov.cn](http://www.customs.gov.cn)—includes laws and regulations regarding customs and trademark protection.
- **Ministry of Health**—[www.moh.gov.cn](http://www.moh.gov.cn)—has important information on standards for food safety and hygiene, including the supervision of hygiene standards at ports.

- **State Economic and Trade Commission**—[www.cacs.gov.cn](http://www.cacs.gov.cn)—deals primarily with antidumping and trade subsidies.
- **China Green Food and Development Center**—[www.greenfood.org.cn](http://www.greenfood.org.cn)—is the official Web site for China's organic food initiative. The site has an introduction in English, but everything else is in Chinese.

## Chinese Industry Associations

Several Chinese agricultural industry associations have Web sites in various stages of development. Some larger sites include:

- **China Food Industry Association**—[www.cfiin.com.cn](http://www.cfiin.com.cn)—has an English version that comprises market surveys, special reports and trade data. The Chinese language section has more detailed news on the agricultural processing industry. This association also has a Chinese-language-only Web site—



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## CHINA'S MINISTRY OF AGRICULTURE ESTIMATES THERE ARE OVER 2,200 WEB SITES ON CHINESE AGRICULTURE.

**www.cnfoodnet.com**—that includes all laws and regulations related to the food industry. It also contains a list of food and agricultural enterprises in China with complete contact information such as addresses, telephone numbers and Web sites.

- **China Feed Industry Information Net—www.chinafeed.org.cn**—consolidates information on the feed industry and animal husbandry. It provides up-to-date information and market analysis on all aspects of the feed industry, including price information, laws and regulations.
- **China Fermentation Industry Association—www.brewchina.com**—has information on products from wine, beer and spirits to soybean milk, soft drinks and ice cream.
- **China National Wine Association—www.winechina.com**—has an English version that describes China's wine history and provides updates on grape varieties and marketing and cooperation opportunities.
- **China Food Additives Association—www.chinaadditive.com**—has information on food safety inspections and requirements of food safety laws and regulations.

### State Trading Companies

Several Chinese commodity trading companies have Web sites and they are developing more. Examples include:

- **China National Cereals, Oils and Foodstuffs Import and Export Corporation—www.foodec.com**—where users can find information on international and domestic marketing trends and directories of companies.
- **China National Cotton Exchange—www.cottonchina.org**—has statistics

on cotton transactions, including quantity, location, quality and price. The Web site also has links to some Chinese textile sites. The Cotton Exchange seeks to be the primary link between China's domestic cotton market and international cotton markets.

- **State Tobacco Monopoly Administration—www.tobaccochina.com**—is the online voice of China's tobacco industry providing quick access to tobacco company news, international business and government policies.

### Commercial Food and Agriculture Web Sites

Commercial businesses and their Web sites have been in operation only a short time in China with little history to back them up. In addition, laws covering e-commerce in China are not well defined, adding to the usual risks of doing business in China.

Below is a sampling of these commercial sites. FAS can neither sponsor nor guarantee the content or business practices of these entities.

- **www.FarmChina.com** claims to be the first business-to-business interna-



tional trading marketplace and one-stop e-solution for the agricultural industry focusing on China. The company provides industry marketing reports, business news, trade data, a company directory by sector, match making services, advertising and consulting services.

- **www.Byte-way.com** is a Beijing-based dot com company founded by several people who have been promoting American agricultural and food products in China. The site is bilingual and the company serves as a match maker for both American and Chinese agricultural businesses.
- **www.foodbusiness.com.cn** is networked to more than 15 food-related Web sites. The site has news on the international and domestic food industry covering a wide range of products. Services include market research reports and information on technology and various databases such as a directory of food manufacturing enterprises.
- **www.cngrain.com** is China's largest grain industry Web site. It provides market information as well as crop condition reports and customs data on imports and exports.
- **www.chinafoods.com** provides data on agricultural production, food processing and trade.

### General Business Web Sites

Several general business and trade sites have valuable information on doing business in China. They include:

- **China Council for the Promotion of International Trade—www.ccpit.org**—was founded in 1952 as a non-governmental commercial

organization aimed at developing foreign trade. It is China's largest private trade promotion agency. With more than 70,000 members and 17 overseas offices, its services encompass foreign liaison, international trade exhibition, foreign legal services and information consultancy.

- **China Business Associates—www.AmericaChina.com**—is a company designed to help Chinese businesses that want to do business with U.S. companies to learn about and understand U.S. companies and prod-



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For details, see FAS report CH1031. To find it—and lots of other FAS information on the Web—go to: **www.fas.usda.gov**, select **Attaché Reports** and follow the prompts.



ucts. Agriculture, however, is only one aspect of the company's business scope.

- **China Business Guide Weekly—www.cbg.org.cn**—is an information service program for the promotion of China's international trade and economic cooperation. Information covers a wide range of business matters, such as international market information, laws and regulations concerning foreign trade and data on foreign investment, customs, commodity inspection and taxation.

An examination of some of the above Web sites will lead to many more links that will have information on agriculture and trading with China. Keep in mind that while many sites have English versions, others are partly or completely in Chinese. However, the wealth of information available through the Internet is vast and is continuing to grow. This affords the prospective exporter the ability to begin research from his or her personal computer desktop. More sites are coming on line each day. ■

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# Trade Notes...

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## **New American Bento Lunchbox Enjoys Brisk Sales in Japan**

The American-made rice O-Bento being sold by the Japan Railway East subsidiary, Nippon Restaurant Enterprise (NRE), debuted in Japan with substantial media attention. Newspaper and television reports praised the high quality and reasonable price for this organic lunchbox. Train-traveling consumers seem to find the U.S. product appealing, and sales look promising. NRE reported that sales of the new O-Bento are 2.5 times the previous best selling *bento*.

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## **Chile Opens Market to Apples and Pears From Two More States**

Chile recently agreed to allow imports of apples and pears from Oregon and Idaho. Before this decision, Chile allowed apples and pears only from the state of Washington. Access for the three states is limited to approved production areas that do not have apple maggot quarantines. This new market opportunity could result in more than \$1 million per year to the two states' fruit industries. In marketing year 1999/2000 (July-June), Washington state apple shipments to Chile totaled 129 tons, valued at just over \$51,450. A lower Washington state apple crop, higher prices and a stronger U.S. dollar vis-à-vis the Chilean peso limited shipments to Chile last season.

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## **U.S. Pork Exports Forecast at Record Level**

U.S. pork exports for calendar year 2001 are forecast at a record 700,000 tons, up 18 percent from last year, and the largest yearly change since 1998. Sales to Japan for the first five months were up 37 percent from the previous year. In addition, sales to Canada and Mexico are also at a record-setting pace.

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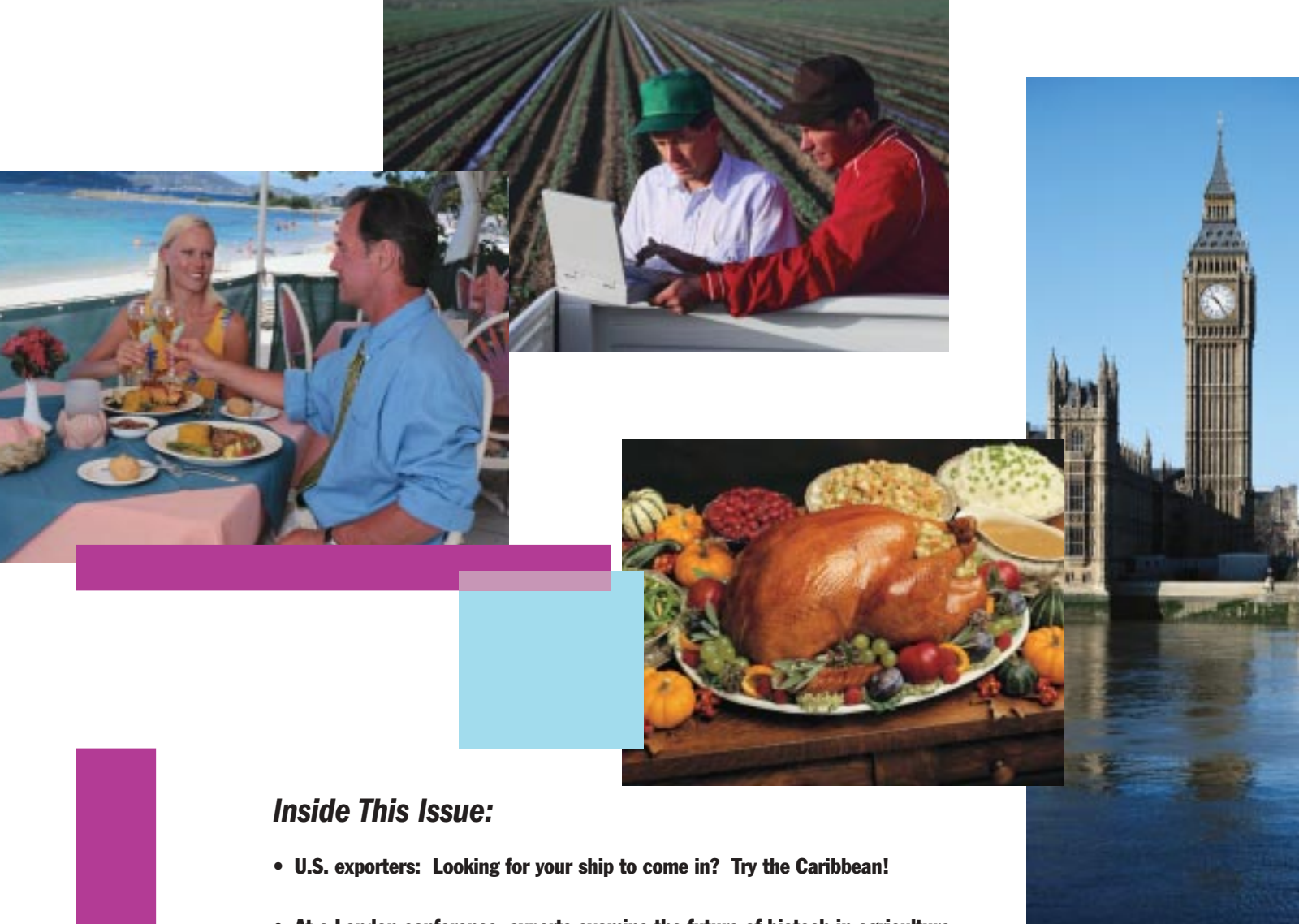
## **New Zealand Market for Organic Foods Growing Rapidly**

According to a major organic food importer, the New Zealand organic food market is about \$80-\$100 million, of which at least 30 percent is imported. The demand for organic food products in New Zealand has risen significantly due to consumers' concern about food safety and nutrition, the environment and the debate over foods from biotechnology. New Zealanders seem to be becoming more interested in the effects of food upon their personal health and the health of their families.

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## **Minnesota Governor Takes Trade Mission to Canada**

This summer, Governor Jesse Ventura led a three-day mission to Canada aimed at promoting and strengthening Minnesota's relationship with its largest trading partner. The value of Minnesota agricultural exports to Canada ranked third among all states, at \$429 million last year.



### ***Inside This Issue:***

- **U.S. exporters: Looking for your ship to come in? Try the Caribbean!**
- **At a London conference, experts examine the future of biotech in agriculture.**
- **Thanksgiving represents U.S. agriculture's bounty at home and sales abroad.**
- **With world trade at the crossroads, a new WTO round offers a crucial opportunity for all countries to benefit.**

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